

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

**COST DATA USED IN THE SITE SELECTION OF
DEFENSE INFORMATION SYSTEMS AGENCY
WESTERN HEMISPHERE RELOCATION FROM
FORT RITCHIE, MARYLAND**

Report No. 96-117

May 13, 1996

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Department of Defense

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Acronyms

BRAC	Base Realignment and Closure
DISA-WESTHEM	Defense Information Systems Agency Western Hemisphere



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884**

Report No. 96-117

May 13, 1996

MEMORANDUM FOR AUDITOR GENERAL, DEPARTMENT OF THE ARMY

SUBJECT: Audit of Cost Data Used in the Site Selection of Defense Information Systems Agency Western Hemisphere Relocation From Fort Ritchie, Maryland (Project No. 6CG-5001.02)

Introduction

We are providing this audit report for your information and use. The report resulted from a request by the Army Base Realignment and Closure (BRAC) Office. The Army selected three relocation options for its site selection of the Defense Information Systems Agency Western Hemisphere (DISA-WESTHEM) from Fort Ritchie, Maryland. The three relocation options included the Rock Island Arsenal, Illinois; Fort Monmouth, New Jersey; and the Letterkenny Army Depot, Pennsylvania. The Army BRAC Office requested that we evaluate the cost data used in the site selection of DISA-WESTHEM from Fort Ritchie, Maryland, for the three relocation options.

Audit Results

The Army BRAC Office consistently applied the cost procedures for the three relocation options in the site selection of the DISA-WESTHEM relocation from Fort Ritchie, Maryland. We evaluated the cost data for the items that we randomly selected and tracked the cost data to source documents. The Army properly validated the cost data used to support the cost analysis. The Army BRAC Office applied the criteria for permanent change of station costs, early retirement costs, reduction in force costs, and new hire costs as required by Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," section 2903(b). The cost computations were correct.

Audit Objectives

The objectives of our audit were to determine whether the Army BRAC Office consistently applied procedures to determine the cost of each relocation option, used validated data to support the cost analysis, and ensured the accuracy of the cost computations.

Scope and Methodology

Scope of This Audit. DISA-WESTHEM decided that the administrative and regional control center divisions of DISA-WESTHEM did not have to be collocated. Therefore, the Army BRAC Office performed a separate analysis

for the administrative and regional control center divisions. The analysis will provide the Defense Information Systems Agency with the added flexibility of realigning DISA-WESTHEM at the proposed sites. Each division consisted of 112 line items of cost. We randomly selected 30 line items of cost from the administrative division and 20 line items of cost from the regional control center division. We reviewed the procedures, obtained the source documents, and performed the computations to support the results of our audit. We did not rely on computer-processed data to conduct the audit.

Audit Period, Standards, and Locations. This program audit was performed from December 1995 through March 1996 in accordance with the auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD. Enclosure 1 lists the organizations visited or contacted during the audit.

Prior Audits and Other Reviews

Inspector General, DoD, Report No. 95-277, "Relocation of the Defense Information Systems Agency Western Hemisphere, Fort Ritchie, Maryland," July 7, 1995, states that the Army did not have valid data on the number of personnel authorized for DISA-WESTHEM for use in the Army 1995 Defense BRAC evaluation of Fort Ritchie. The report recommended that the Army compute the cost to relocate DISA-WESTHEM based on validated personnel data. The Army concurred with the recommendation and validated 263 authorized personnel for DISA-WESTHEM in its cost analysis.

Discussion

The Assistant Chief of Staff for Installation Management, Facilities Division, Department of the Army, determined that DISA-WESTHEM requires a total of 52,600 gross square feet for 263 authorized personnel. The space requirement and authorized personnel are shown in Table 1.

Table 1. DISA-WESTHEM Authorized Space and Personnel Requirement

<u>Division or Requirement</u>	<u>Number Of Personnel</u>	<u>Gross Square Feet</u>
Administrative	200	36,900
Regional control center	63	10,000
Raised floor requirement	0	5,700
Total	263	52,600

The Assistant Chief of Staff for Installation Management, Facilities Division, Department of the Army, also determined that existing facilities at Rock Island Arsenal, Illinois; Fort Monmouth, New Jersey; and Letterkenny Army Depot, Pennsylvania, could accommodate space for both the administrative and regional control center divisions. Table 2 provides the cost comparison for the three relocation options.

Table 2. Cost Comparison for DISA-WESTHEM		
<u>Alternatives Compared</u>	<u>Cost (millions)</u>	<u>Cost Alternative Ranking</u>
Letterkenny Army Depot	\$5.4	1
Rock Island Arsenal	\$7.9	2
Fort Monmouth	\$8.4	3

The Army BRAC Office consistently applied the cost procedures for the three relocation options. The Army BRAC Office properly performed the cost analysis at each site to determine the least expensive option for the relocation of DISA-WESTHEM. The factors in the cost analysis included design and renovation, information mission area, interservice support agreement, furniture, moving expenses, permanent change of station, housing allowance costs, reduction in force costs, new hire costs, and change in locality pay. The Army BRAC Office properly validated the cost data used to support the cost analysis, and the cost computations were correct.

Management Comments and Audit Response

Although no comments were required, the Army commented on a draft of this report. The Army requested that we revise the report to show that DISA-WESTHEM, not the Army BRAC Office, made a facility decision. The Army also asked that the report cite a prior Inspector General, DoD, audit report addressing the relocation of DISA-WESTHEM. In addition, the Army requested that we clarify that the Assistant Chief of Staff for Installation Management determined that DISA-WESTHEM requires space for 263 authorized personnel. We have revised the report based on the Army comments. The full text of the comments is included in Enclosure 3.

We appreciate the courtesies extended to the audit staff. For additional information on this report, please contact Mr. Wayne K. Million, Audit Program Director, at (703) 604-9312 (DSN 664-9312) or Mr. Nicholas E. Como, Audit Project Manager, at (703) 604-9303 (DSN 664-9303). Enclosure 2 lists the report distribution. The team members are listed inside the back cover.

David K. Steensma

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Enclosures

Organizations Visited or Contacted

Department of the Army

Assistant Chief of Staff for Installation Management, Arlington, VA
Base Realignment and Closure Office, Arlington, VA
Fort Monmouth Garrison, NJ
Fort Ritchie Garrison, MD
Letterkenny Army Depot, Chambersburg, PA
Rock Island Arsenal, IL

Other Defense Organizations

Headquarters, Defense Information Systems Agency, Arlington, VA
Defense Information Systems Agency Western Hemisphere, Fort Ritchie, MD

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Assistant Chief of Staff for Installation Management
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Senate Subcommittee on Defense, Committee on Appropriations
Senate Subcommittee on Military Construction, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on Military Construction, Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Government Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
Justice, Committee on Government Reform and Oversight
House Committee on National Security

Deputy Assistant Secretary of the Army (Installations and Housing) Comments

Final Report
Reference



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT
600 ARMY PENTAGON
WASHINGTON DC 20310-0800



18 APR 1996

DAIM-BO

GREGORY P. GUILLIE, LTC, GS, ADECC

MEMORANDUM THRU DIRECTOR OF THE ARMY STAFF *Guillie & April*

~~ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS,
LOGISTICS & ENVIRONMENT)~~ *APR 1996*

FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE

SUBJECT: IG, DOD Audit Report: Cost Data Used in the Site Selection of Defense Information Systems Agency Western Hemisphere (DISA-WESTHEM) Relocation From Fort Ritchie, Maryland (Project No. 6CG-5001.02)

1. OACSIM has reviewed the DISA-WESTHEM draft audit report. We concur with the draft audit results, but request that the following comments be incorporated into your final report.

a. Scope and Methodology. DISA-WESTHEM, not the Army BRAC Office, decided that the DISA-WESTHEM Administrative division and Regional Control Center did not have to be collocated. The first sentence should read, "DISA-WESTHEM decided that the DISA-WESTHEM Administrative and Regional Control Center divisions did not have to be collocated." The report should explain that having a separate analysis for each division at proposed sites will provide DISA headquarters added flexibility in realigning DISA-WESTHEM.

Revised

b. Prior Audits and Other Reviews. The final audit report should reference the previous IG, DOD audit of DISA-WESTHEM, Audit Report No. 95-277, July 7, 1995, Subject: Relocation of the Defense Information Systems Agency Western Hemisphere, Fort Ritchie, Maryland. That audit established an authorized level of 263 personnel for DISA-WESTHEM.

Revised

c. Discussion. Replace "and is" in line three with "for the" to make the statement correct. The sentence should read, "The Assistant Chief of Staff for Installation Management, Facilities Division, determined that DISA-WESTHEM requires a total of 52,600 gross square feet for the authorized 263 personnel."

Revised

2. Points of contact for this action in BRACO are Theresa Persick-Arnold, Program Manager, 703-693-7556 and Brenda Mendoza, Resource Manager, 703-695-8030.

Frank L. Miller Jr.
FRANK L. MILLER JR.
Major General, GS
Assistant Chief of Staff
for Installation Management

18 APR 1996
600 ARMY PENTAGON
WASHINGTON DC 20310-0800

Enclosure 3

Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, DoD.

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Arlington, VA 22202-2884

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